

## **FISCAL NOTE**

### **HB 87 - SB 151**

February 13, 2007

**SUMMARY OF BILL:** Requires the Tennessee Department of Transportation (TDOT) to carry out, and complete by December 1, 2015, the current intent of the General Assembly that all county seats be connected by a four-lane highway to the nearest interstate highway by the shortest route available over an existing state or federal highway.

### **ESTIMATED FISCAL IMPACT:**

#### **Increase State Expenditures:**

**Exceeds \$438,000,000 per year for nine years / Highway Fund**

#### Assumptions:

- The above project is currently stated as intent of the General Assembly in T.C.A. 54-5-102 (b).
- 60 county seats are either already connected to interstate highway by a four-lane highway, construction is in progress and already funded, or construction has not yet begun but funding has been made available.
- According to TDOT, none of the remaining 35 projects have been identified as projects that would be constructed within the department's current 3-year plan. In addition, TDOT estimates that no more than 5 of these projects would be connected prior to the December 1, 2015 deadline, in the absence of this bill.
- According to TDOT, the total cost for connecting all 35 county seats will require additional funding estimated to be approximately \$4.6 billion.
- Average project cost is estimated to be \$131,429,000 (\$4.6 billion ÷ 35 projects = \$131,428,571).
- The total cost for connecting the remaining 30 projects, that would not be completed by the December 1, 2015 deadline in the absence of this bill, is estimated to be \$3,942,870,000 (\$131,429,000 X 30 remaining projects = \$3,942,870,000).
- Annual estimates have been made in current dollars, which assumes zero inflation for construction labor and materials.

- The proposed construction deadline spans nine fiscal years beginning with FY07-08, and ending with FY15-16, therefore the estimated total cost will be amortized over nine fiscal years.
- Construction costs are estimated to exceed \$438.0 million per year (\$3,942,870,000 total cost ÷ 9 year limitation = \$438,096,667 per year).
- Therefore, the increase to state expenditures is estimated to exceed \$438,000,000 per year for nine years.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director